

April 10, 2013

Fairview/Sanford Merger Discussions

While it was always assumed that this merger of equals would create something uniquely special and important, it was never suggested that either party was "acquiring or controlling" the other. Those terms were never contemplated because they would be rejected on their face as unacceptable to each of these historic, charitable, and successful organizations. Nonetheless, this misperception has been created to serve an agenda that undermines the good faith and emerging trust that is essential in any contemplated merger of this sort.

Sanford Health has a philosophical policy of "only going where we are invited", and it seems as though the incredibly positive beginnings to discussions of the merger of Fairview Health and Sanford Health, has turned into a situation that finds us being unwelcome by some interested parties and key stakeholders of our proposed merger partner. It is inconceivable and unacceptable to me that we would ever propose a merger without the affirmation of these parties.

I am now concerned that the good reputation of Sanford may be injured by a process that only intended the highest of ideals and integrity for what we believed to be a compelling solution to the challenges facing health care delivery today and in the future. As such, I think it's time for Sanford to withdraw from this process, and only re-engage if Fairview and the University of Minnesota have sufficiently resolved issues within their relationship and secured a positive understanding by Attorney General Swanson of their intentions and plans. Until those conditions seem resolved it appears prudent for Sanford to disengage from this effort and will do so immediately.

I am providing the following information to our colleagues at Fairview, the Minnesota Attorney General, and the media for public awareness.

Sincerely,

Kelby K. Krabbenhoft
CEO, Sanford Health